

**COLORADO COALITION FOR THE
MEDICALLY UNDERSERVED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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May 23, 2016

INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Coalition for the Medically Underserved
Denver, Colorado

We have audited the accompanying statements of **Colorado Coalition for the Medically Underserved** (a Colorado nonprofit corporation) which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colorado Coalition for the Medically Underserved as of December 31, 2015, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Colorado Coalition for the Medically Underserved's 2014 financial statements and we expressed an unqualified opinion on those financial statements in our report dated May 7, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.


TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

(WITH COMPARATIVE TOTALS FOR 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 354,272	\$ 271,789
Cash and cash equivalents - temporarily restricted	25,012	15,772
Grants receivable - unrestricted (Note 3)	250,500	202,500
Prepaid expenses	20,391	7,386
Property and equipment (Note 4)	-	518
Total assets	<u>\$ 650,175</u>	<u>\$ 497,965</u>
<u>Liabilities and net assets</u>		
Accounts payable	\$ 7,658	\$ 656
Commitments (Note 5)		
Total liabilities	<u>7,658</u>	<u>656</u>
<u>Net assets</u>		
Unrestricted	617,505	481,537
Temporarily restricted (Note 6)	25,012	15,772
Total net assets	<u>642,517</u>	<u>497,309</u>
Total liabilities and net assets	<u>\$ 650,175</u>	<u>\$ 497,965</u>

The accompanying notes are an integral part of these financial statements

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Foundations and grants	\$ 380,500	\$ 224,618	\$ 605,118	\$ 353,252
Special event income	90,305	-	90,305	53,848
Less: direct event expenses	(26,495)	-	(26,495)	(11,148)
Memberships	33,629	-	33,629	24,434
Contributions	17,251	-	17,251	17,370
Other contracts	12,400	-	12,400	6,900
Interest income	227	-	227	252
Fiscal administration fees	-	-	-	1,500
Other	727	-	727	-
Net assets released from restriction (Note 7)	215,378	(215,378)	-	2,525
Total revenue and other support	<u>723,922</u>	<u>9,240</u>	<u>733,162</u>	<u>448,933</u>
<u>Expense</u>				
Program services	503,487	-	503,487	439,103
Supporting services				
Management and general	51,064	-	51,064	50,723
Fund-raising	33,403	-	33,403	30,545
Total expense	<u>587,954</u>	<u>-</u>	<u>587,954</u>	<u>520,371</u>
Change in net assets	135,968	9,240	145,208	(71,438)
Net assets, beginning of year	481,537	15,772	497,309	568,747
Net assets, end of year	<u>\$ 617,505</u>	<u>\$ 25,012</u>	<u>\$ 642,517</u>	<u>\$ 497,309</u>

The accompanying notes are an integral part of these financial statements

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014	
	Supporting services				
	Program	Manage-			
	Services	ment and	Fundraising	Total	Total
		General			
Salaries	\$ 262,103	\$ 30,026	\$ 20,643	\$ 312,772	\$ 317,059
Payroll taxes and benefits	57,793	6,621	4,551	68,965	59,487
Partner contracts (Note 10)	91,573	-	-	91,573	36,000
Rent	18,514	3,703	2,468	24,685	20,684
Travel	11,687	-	-	11,687	16,430
Contract services - lobbying	12,500	-	-	12,500	12,500
Professional services	8,350	2,386	1,193	11,929	1,595
Unused grant funds returned	9,581	-	-	9,581	-
Contract services - other	8,800	-	-	8,800	10,588
Meetings	6,943	-	-	6,943	7,713
Accounting services	-	4,850	-	4,850	6,250
Telephone	3,956	453	312	4,721	8,588
Organizational development	-	1,271	1,892	3,163	3,008
Conference call	2,940	-	-	2,940	4,614
Printing	1,912	186	344	2,442	2,633
Small furniture purchase	1,652	330	221	2,203	582
Office supplies	1,447	166	114	1,727	3,351
Website	968	194	129	1,291	1,356
Insurance	1,036	119	81	1,236	1,582
Special events	-	-	1,000	1,000	2,500
Memberships	675	-	-	675	-
Postage	212	-	421	633	691
Program supplies	181	-	-	181	146
Bank fees	-	126	-	126	-
All other	230	583	-	813	1,478
	503,053	51,014	33,369	587,436	518,835
Depreciation	434	50	34	518	1,536
Total	\$ 503,487	\$ 51,064	\$ 33,403	\$ 587,954	\$ 520,371

The accompanying notes are an integral part of these financial statements

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>2015</u>	<u>2014</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 145,208	\$ (71,438)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	518	1,536
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in grants receivable	(48,000)	(28,500)
(Increase)decrease in prepaid expenses	(13,005)	663
Increase(decrease) in accounts payable	7,002	(344)
Net cash provided(used) by operating activities	<u>91,723</u>	<u>(98,083)</u>
Net increase(decrease) in cash and cash equivalents	91,723	(98,083)
Cash and cash equivalents, beginning of year	<u>287,561</u>	<u>385,644</u>
Cash and cash equivalents, end of year	<u><u>\$ 379,284</u></u>	<u><u>\$ 287,561</u></u>

The accompanying notes are an integral part of these financial statements

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

Colorado Coalition for the Medically Underserved (the Organization) is a nonprofit organization incorporated in 2003 for the purpose of creating opportunities and eliminating barriers to good health for medically underserved Coloradans. The Organization is supported primarily through foundations and grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Cash and Cash Equivalents

Cash and cash equivalents are considered to be all unrestricted highly liquid investments with an initial maturity of three months or less.

4. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities, as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment of \$500 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization's Federal Return of Organization Exempt From Income Tax (Form 990) is subject to examination by the IRS, generally for three years after filing.

8. Functional Reporting of Expenses

For the year ended December 31, 2015, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

9. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

10. Subsequent Events

Management has evaluated subsequent events through May 23, 2016, the date the financial statements were available to be distributed.

NOTE 3 - GRANTS RECEIVABLE

Funding sources:

At year-end, the Organization has \$250,500 in grants receivable related to two foundation awards. Management has evaluated these receivables and does not feel that an allowance for doubtful accounts is needed and considers that the present value discount would not be significant to these financial statements. Subsequent to year-end, the Organization received a check for \$193,000. Management expects to receive the remaining amount later in 2016.

NOTE 4 - PROPERTY AND EQUIPMENT

At year-end, property and equipment consisted of:

<u>Description</u>	<u>Amount</u>
Computers	\$ 9,999
Less: accumulated depreciation	<u>(9,999)</u>
Net property and equipment	<u>\$ 0</u>

Depreciation expense for the year was \$518.

NOTE 5 - COMMITMENTS

The Organization leases office space in Denver, Colorado. The future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 18,865
2017	<u>20,106</u>
Total	<u>\$ 57,161</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted nets assets are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Immigrant Coverage and Care	\$ 16,200
Network of Health Alliances	4,562
All Kids Covered	<u>4,250</u>
Total	<u>\$ 25,012</u>

NOTE 7 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

<u>Description</u>	<u>Amount</u>
All Kids Covered	\$ 128,249
Network of Health Alliances	57,449
Community Organizing Workshops	13,618
Immigrant Coverage and Care	8,800
Aurora Health Access	<u>7,262</u>
Total	<u>\$ 215,378</u>

NOTE 8 - CONCENTRATION OF FUNDING SOURCES

During the year, the Organization recognized income of \$380,500 or approximately 52% of its revenue from an award granted by The Colorado Health Foundation. Without this support, the Organization would have to curtail its programs.

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Organization places all of its cash with one high-quality financial institution. Amounts over \$250,000 are not insured by the FDIC or related entity. Management has evaluated its banking needs and the strength of the financial institution and feels it is in the best long-term interest of the organization to continue its existing relationship.

NOTE 10 - PARTNER CONTRACTS

The Organization is the grant recipient for funds from the David and Lucile Packard Foundation to support All Kids Covered. Funds from this grant are shared among other state partners with formal memorandums of understanding who work collaboratively with the Organization to fulfill the grant obligations.

NOTE 11 - PENSION PLAN

The Organization has an employer sponsored tax-deferred retirement plan that covers all eligible employees. Employees may elect to make contributions to the plan up to the maximum permitted by the IRS if they wish. The Organization matches 100% of the employee contributions up to 3% of the employee's salary, the Organization matches 50% of the next 2% that the employee contributes to the plan. Pension expense for the year was \$10,195.